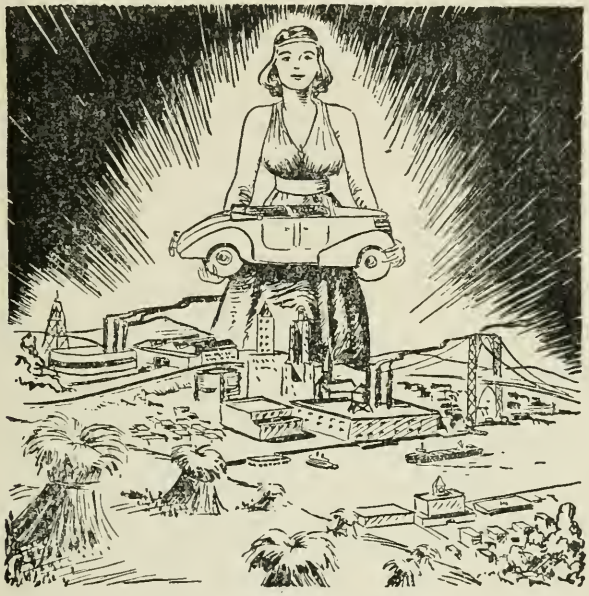
# Highway Transportation Re-makes America



NATIONAL HIGHWAY USERS CONFERENCE
NATIONAL PRESS BUILDING
WASHINGTON, D. C.

# Highway Transportation

1. *Freedom of the highways is a basic human right.*
2. *Every free American should be secure in his right to transport himself, his family, his friends and his own goods in his own vehicle.*
3. *Building of roads is a basic function of government, of, by, for the people.*
4. *The government should have no "profit" motive in the construction, maintenance and administration of public highways.*
5. *Highway costs should be allocated fairly among all classes benefiting from the highways. The community should pay for benefits that accrue to the general public welfare.*
6. *The highway user is now paying his full share of actual expenditures for highways and streets, as well as contributing in full measure to the support of general government.*
7. *Special motor vehicle tax funds should be dedicated wholly to highway purposes.*
8. *As road bonds are retired and as basic improvements involving non-recurrent costs are made in the highway system, the taxes on motorists should be reduced.*
9. *The motor vehicle has "personalized" transportation to fit the special needs of the individual.*
10. *Safety requirements alone should be the measure of motor vehicle weight and size limitations.*
11. *Ports-of-entry and other highway barriers to interstate movement of motor vehicles should be removed.*
12. *The right of the public to freedom of choice of transportation methods should be preserved.*
13. *Every form of transportation should be allowed to develop freely.*
14. *All persons should have equality in the use of the highways in the pursuit of a livelihood.*
15. *Control of highway transportation must not be placed in the hands of a few, to the sacrifice of freedom for individual enterprise.*

# Contents



September, 1939

# HIGHWAY TRANSPORTATION RE-MAKES AMERICA

THE new development of highway transportation, based upon the improved road and the efficient motor vehicle, is re-making America.

Two out of every three families in the United States own a private car, ready to move anywhere at any time at their bidding. The motor vehicle has expanded greatly the realm of better living, and it provides billions of hours of human happiness each year to the American people. For every seven families in the United States there is one truck at work transporting food, clothing, building and other materials, contributing immensely towards the comfort and well-being of the people.

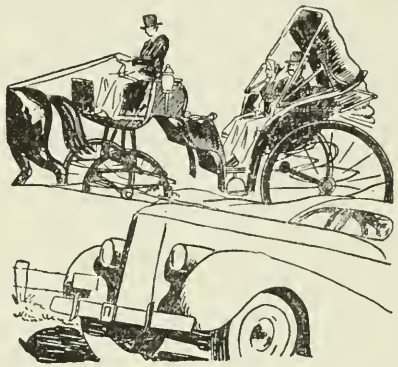
This new force of highway transportation is dynamic. Its benefits to the people are still expanding. As better motor vehicles are produced and as the highways of the nation are improved, the automobile becomes more and more an integral part of our daily lives, lifting the horizons of immobility that handicapped and limited mankind from the beginning of time.

## Higher Living Standards

THE economic and social benefits, the contributions to advancing American standards of living, that arise from the new highway transportation are almost beyond calculation.

The isolation of the farm has been banished by the motor vehicle. Economical transportation of goods from producer to consumer has been provided. This tends to reduce the cost of living. It affords greater opportunities for initiative and enterprise. The new highway transportation gives jobs to more than 6,000,000 persons. It is an energizer, an economic stimulator. Its influence is felt by every principal business activity in this country.

Progress in highway transportation is not yet completed in the United States. We still are moving towards our goal. Great as have been the improvements and refinements in motor vehicles, the goal is still ahead. The inventive spirit of the automobile industry is constantly working to lift automotive standards to higher levels. Each year that industry moves forward. Highway engineers, to whom but a few decades ago the motor



vehicle brought new and stupendous problems, are working valiantly to provide the nation with better highways. They are succeeding in their efforts in a remarkable manner. But their task is not completed. The transportation needs of the people of tomorrow will demand even better roads.

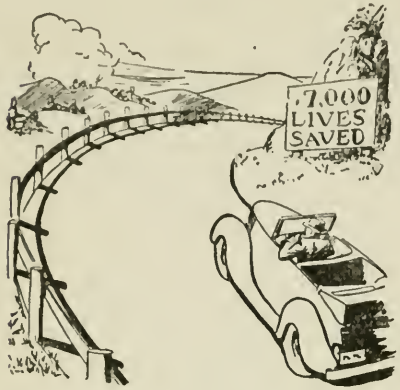
## Great Strides in Highway Safety

OUTSTANDING in the progress of highway transportation in recent years is the uplifting of safety standards. Highway fatalities during the first half of 1939 were about a fifth less than they were a few years ago. At that rate, more than 7,000 lives are being saved annually because of these improved safety conditions, and the outlook is that continued progress in that direction will be made in the future.

Better motor vehicles and better roads, plus a driving public which is becoming educated to the simple rules of safety, are making highway transportation safer. Today it is safer to ride a mile in an auto-

mobile than ever before, despite the great increase in highway traffic.

The happiness of the American people, and the welfare of the nation, are based




largely upon development of our natural resources and utilization of the products of human ingenuity. The automotive industry is an excellent example of that truth. Development of our iron and petroleum resources opened the way for the Automotive Age. Engineering skill gave us efficient motor vehicles and highways better than ever existed before.

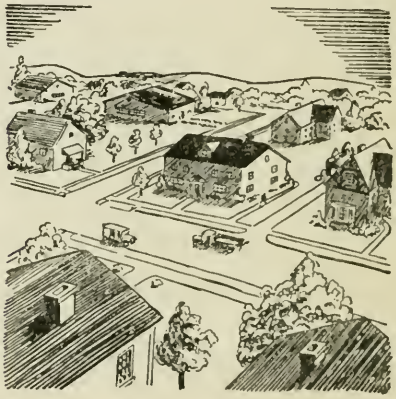
The rapid growth of highway transportation since the World War has created opportunity for jobs and better living unparalleled in any two decades in history. Highway transportation is still growing. The end is not yet in sight; and as highway transportation expands, it will continue to create opportunity in the future.

## Creation of Opportunity

AMERICA needs dynamic developments such as now being witnessed in highway transportation. The way to better and higher standards of living springs from expanding industries that create opportunity. Anything that tends to check or curb the full economical utilization of our natural resources, or which prevents the full benefits of inventive ingenuity from being shared by the mass of the people, is definitely against the welfare of the nation. It limits opportunity and slows up our forward march to better living.

Notwithstanding the great contributions highway transportation has made to the nation's welfare in creating opportunity on a wide scale and in providing substantial benefits towards better living, it now is being threatened by unduly burdensome restrictions and punitive taxation which would not only curtail its present usefulness, but seriously affect its future growth.

Selfish forces inimical to highway transportation cannot stifle nor destroy it, for highway transportation is too important to modern living to be crushed entirely. But excessive regulation and punitive taxation can destroy part of its economic usefulness, thus narrowing opportunity



and preventing the American people from obtaining their full measure of the benefits of this dynamic development.

America needs an expanding highway transportation to provide new opportunity for its people.

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# FREEDOM OF THE HIGHWAYS

HIGHWAYS are the sinews of civilization.

Adequate roads free a nation from economic stagnation; enrich its social life; elevate its standards of living.

History fails to reveal any nation achieving greatness that did not attempt to improve its roads to facilitate the movement of persons and goods from one place to another.

In America the building of roads was one of the major activities of the colonists, and after the Revolution the pushing back of the frontiers of the West was accomplished by the construction of roads that made possible social and commercial intercourse.

Not only does a nation need adequate highways to grow and prosper, but it needs roads that are free to all.

## Highway Users Preyed Upon

IN feudal England, the freedom of the highways was won only after a long struggle extending over centuries.

Among the concepts of human rights that the colonists brought to America was that of freedom of movement. It was cherished as dearly as freedom of thought.

During the early days of the Republic the freedom of the highways was seriously threatened by promoters who, taking advantage of the low resources of the people and the pressing need for better roads, organized companies which obtained from state and local governments control of many main roads, such control carrying with it the right to charge tolls for maintaining the roads.

## Repugnant to American Ideals

ALTHOUGH popular for a time with stock promoters and with investors who hoped to realize large profits, toll roads were repugnant to the people's ideals of liberty. Farmers built shunpikes around tollgates and the courts were reluctant to force the closing of such bypasses. The heavy tolls added to the cost of farm products brought to the cities, and to the cost of manufactured products going to rural areas. So great was the opposition to toll roads that by 1850 most of the toll roads had again become free highways. Toll bridges persisted longer, but these, too, in recent years have been all but eliminated as profit making enterprises.

Freedom of the highways again is being threatened in the United States—not by tollgates erected by men in the attempt to convert the public highway into a private business, but by drastic restrictions and punitive taxation whose effect is to curb the movement of persons and goods over the highways.

Imposition of heavy burdens upon highway users is inspired by interests which hope to profit from the resulting curtailment of the use of highways.

## Two Weeks' Wages Exacted

IN many states taxes on passenger cars now amount to $60 or $70 a year. The average value of all passenger cars on the highways is only $200, making the tax burden equivalent to one-third of the value of the vehicle in those states. Since about half the motorists earn $30 a week


or less, a tax burden of $60 to $70 on an automobile is equal to two or three weeks' wages of a substantial part of the owners. Such heavy taxes on private cars defi-

nitely tend to limit automobile ownership and use.

Special motor vehicle taxes are necessary to provide funds to build modern roads. Future progress of highway transportation depends upon the building of better roads. The providing of adequate roads for the people is a proper function of government. The higher the standards of living of a nation advance, the greater is the need for roads, and tax revenue to provide those roads. But that need should not be used as a basis for crying "wolf, wolf" so as to extract billions of extra tax dollars from the pockets of the motorists.

These special taxes have nearly doubled since 1929, increasing from $850,000,000 in 1929 to the enormous sum of more than $1,500,000,000 in 1938. Taxes upon highway transportation are now challenging the ability of many highway users to pay them.

## Two Trips to Haul One Load

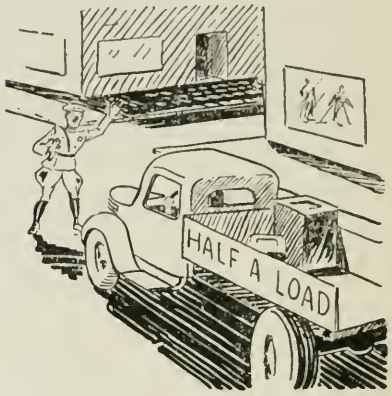
DRASTIC regulatory and tax legislation in some states is being directed at trucks. Many such laws are inspired by interests that selfishly seek to curtail the full economical use of the highways. Certain trucks, performing an essential economic service in transporting goods from producer to the consumer, pay $2,000 or more a year for using the highways. In a few states, under the cloak of highway safety, the weight of the load is so restricted that two or three trips are required to haul a load permitted in other states.

Some of these restrictive laws are foolish on their very surface. Of this nature is the truck law of Texas, which limits truck loads to 7,000 pounds, except when the truck is not going beyond the nearest railroad freight station, when double the load, or 14,000 pounds, may be carried.

Under laws regulating the operation of trucks offering transportation service for the general public, applications to operate such trucks are being denied in some states on the ground that the trucks would compete with the railroads. If the same method of thinking had been followed in respect to mechanical refrigeration, for example, 10,000,000 homes in the United States would have been denied the benefits and comforts of automatic refrigerators on the theory that they compete with the icemen.

BESIDES the state laws that are being enacted to regulate the use of the highways, a law to regulate the interstate movement of trucks was enacted by Congress in 1935.

The administration of these regulatory laws has resulted in denials of certificates of convenience and necessity to some individuals who have desired to earn a live-




lihood by transporting goods for others over the highways. In some instances such regulatory laws have been administered to place a floor under high freight rates. That policy, seeking to protect older transportation interests, tends to deny to shippers the economies made possible by the new highway transportation.

Some of the regulatory laws not only limit the use of the highways in many important respects, but they restrain the free choice of the shipping public in selecting the particular transportation facility desired. Such laws aim to eliminate free competition between the various transportation facilities. They tend to deny to the general public the economies of the technological progress made by the motor vehicle in transportation.

## Right to Earn a Livelihood Withdrawn

THE recent action of the Nevada State Public Service Commission revoking the certificate of a trucking firm to operate between Reno and Tonopah serves an ominous warning of what the future course of highway regulation could be.

In 1938 the Commission granted the

Nevada-California Transportation Company a certificate to do business. The railroad operating in that territory applied to the district court, submitting arguments indicating that, because the trucking firm gave faster and more economical service, it was losing business heavily to the new competitor. The court referred the matter back to the Commission for "reconsideration."

Turning a somersault, the Commission revoked the trucking firm's right to stay in business in the Reno-Tonopah territory. The trucking firm's operations, it held, were competitive with the railroad's. The Commission announced, in effect, that monopoly, rather than free competition, was its guiding policy. Thus has freedom of the highways been curtailed in Nevada. It "can happen" elsewhere.

## Need for Public Information

THE general public, unfortunately, has been little cognizant of the concerted drive that is being made throughout the land to cripple highway transportation—a drive that is involving the expenditure of millions of dollars in a campaign of propaganda that reaches into every community.

The average person seldom thinks about the importance to his own well-being of the movement of commodities over the highways. A motorist whose milk, meat and other foodstuffs are brought over the highways from the farm to his doorstep will become impatient in following a slow-moving truck up a hill. He does not stop to consider the benefits he derives from the service performed by the truck.

The contribution of the motor vehicle to happier living in a purely recreational way cannot be overestimated. Billions of hours of human happiness are provided annually to the millions of car-owning families in the United States. Life is broadened immensely. No longer is the typical American family like an oyster anchored on a stone, limited in its movement by a lack of transportation.

## Highways Built for Commerce

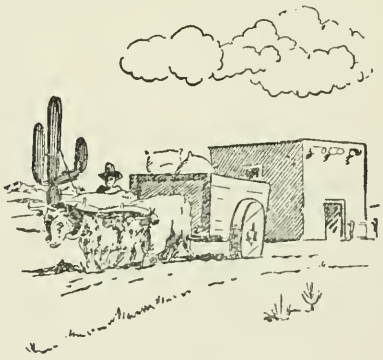
BUSINESS use of the highways, however, is vital to the economic life of the nation. The truth is that the first roads in this nation were built to care for the business, or economic, needs of communities.

Until a comparatively recent time in history, highway traffic was predominantly commercial.

Throughout history roads have been built and maintained primarily for commerce, and the too commonly accepted popular view that commercial vehicles on the highways are a necessary evil is entirely erroneous. The highways always have been the arteries of trade of a nation and because of the great improvements in transportation brought by the motor vehicle, the highways have a closer relationship to the economic welfare of a people than ever before.

The movement of passenger cars is often of a business nature. Millions of men and women go to and from work in their automobiles. Countless salesmen, rural letter carriers and others engaged in earning a livelihood use passenger cars in getting about. Based on available statistics, the Public Roads Administration tentatively estimates that 62 per cent of all private passenger cars are used for business purposes.

There are about 25,000,000 passenger cars operating on the highways of the United States. The average annual tax per vehicle for the country as a whole, according to the American Automobile Association, is well over $50. Such heavy taxation makes it more difficult for a family of small means—the average



American family—to enjoy the benefits of motor transportation.

Most of the 4,250,000 trucks in the United States are owned and used by farmers, merchants and others in transporting their own goods. There is general agreement that sound safety regula-

tions should be imposed upon these and all other motor vehicles that operate upon the highways.

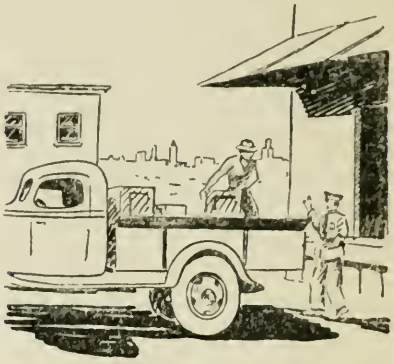
Owners of trucks, whether they be farmers, merchants or manufacturers, do object to punitive restrictions disguised as safety measures. Why, they ask, is it safe in Texas for a truck to haul 14,000 pounds to the nearest railroad station but unsafe for the same truck to haul more than 7,000 pounds beyond that station? Why, they ask, is it safer in Rhode Island to haul a load several times the legal "safe limit" in Alabama?

The answer to these questions is obvious. If the load of a truck can be restricted, thus forcing it to make two or three trips to carry a reasonable load that would be profitable on one trip, then the movement of goods over the highways will be curtailed to the advantage of a competitor not subject to such restrictions.

## How Far Should Regulation Go?

REGULATION today is applied to common carriers and contract highway carriers. That regulation and restriction of the use of private transportation is being sought is evidenced in the words and actions of men in public life. Such regulation was strongly urged in the recent congressional debates on railroad relief legislation.

"Just how far should an individual corporation not a common carrier go in transporting its own goods?", is a question raised recently by a member of the Interstate Commerce Commission. He complained of an excess of transportation facilities and added that, "the privately owned truck, not subject to regulation,



sets the rates for the common carrier truck."

To the average person free access to the highways seems to lie in the same category as free access to the air and sunlight.

Freedom of opportunity in using the highways is definitely a real and pressing problem that confronts the American people.

# A NEW TOOL OF CIVILIZATION

HUMAN progress is based upon the development of more efficient tools. Only by learning to do things better, more efficiently, can standards of living be advanced.

Before man invented the saw and hammer which enabled him to build substantial houses from the trees of the forest, he lived in caves, straw houses, sun-dried mud dwellings and other structures not requiring the use of highly developed tools.

Before the steam engine, ships were propelled by the winds, whose vagaries made the life of a sailor highly venturesome. In Roman times, the ships of war were moved, when the wind failed, by the muscular brawn of slaves.

The steam engine is one of the greatest tools of all history and its influence was so great that it changed completely the economic and social life of the civilized world. Economists refer to the early utilization of the steam engine as the Industrial Revolution. Nearly a century elapsed after the invention of the steam engine before its full impact upon the social and economic life of the world was realized.

Another great tool that is providing profound benefits to the civilized world is the motor vehicle. It is fast revolutionizing the world's transportation methods, and although but a few decades have elapsed since it was brought to a satisfactorily workable stage, it is now providing jobs and opportunities to an extent that rivals the contribution of the steam engine. Each year sees an expansion of its usefulness and of its contributions towards better living.

## "Personalized" Transportation

CHIEF among the contributions of motor transportation is that it affords, for the first time in history, personal ownership of efficient instrumentalities of transportation. The movement of persons and goods from one place to another has been "personalized." A car-owning family needs no longer to wait for a trolley car or a train before it starts its trip. A farmer can start his crops moving to market when it is convenient for him to do so.

The motor vehicle provides an economical, efficient transportation service that is custom-made, adapted to the personal needs of the owner of the vehicle. He makes his own timetable. He obtains the benefits that accrue from technological progress in transportation.

The development of highway transportation has placed, for the first time in history, the movement of goods and persons on a democratic basis. In the horse and buggy days, only a very small part of the nation's families actually owned horses and buggies. Today, two out of every

three families in the United States own motor vehicles. More than half of these car-owning families have incomes of $30 a week or less.

Truly, highway transportation is a great democratic force. It has ironed out distinctions in class that existed when store clerks catering to the "carriage trade" wore frock coats. It has expanded the daily life of millions of families. Its contributions to better living may be measured in billions of hours of human happiness annually.

Efficient highway transportation is important to the welfare of the people of the United States as individuals, and as a nation.

Personalized transportation has caused a social and economic revolution which has changed not only our standards of

living, but our means and methods of living. In fact, it has become a part of living!

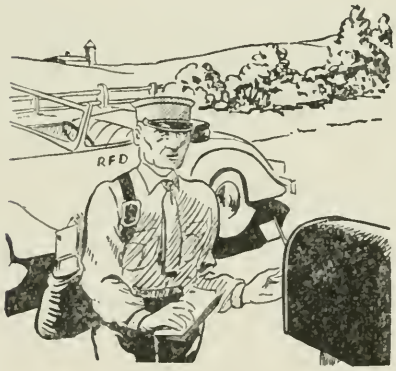
## Post Roads

ADEQUATE highways are needed to carry on most of the functions of government. Mail is moved between post offices on 290,000 miles of main routes. Rural free delivery of mails extends over routes totaling 1,390,000 miles of public roads (exclusive of city delivery).

Such governmental use of the rural roads presupposes a Federal responsibility to contribute materially to the cost of construction and maintenance of roads. The responsibility was accepted definitely by the Act of Congress of July 11, 1916, entitled "An Act to provide that the United States shall aid the states in the construction of rural post roads, and for other purposes" and by subsequent amendments to that Act.

## Roads Needed for Military Defense

MILITARY defense of the homeland is one of the first and foremost duties of a national government. All great




military figures of history have recognized the necessity of adequate roads for national defense.

The United States is defended by the waters of the seas, but this natural isolation must be reinforced by a comprehensive road net. Next to its present geographical advantage, internationally, the best defense the country has today is its system of highways which has been and is being constructed under the supervision of the Public Roads Administration with the advice and counsel of the War Department.

## Public Health

THE primary cause for improvement in public health is education of the public as well as the practitioner. Among the chief contributing factors are good roads and rapid means of transportation, for these make the physician, the ambulance and the hospital more readily available.

Hard surfaced roads alleviate the menace of dust—one of the greatest carriers of disease. Well graded highways have supplemented the natural drainage of the terrain.

Adequate highway transportation contributes materially to the effectiveness of county and community clinics, and that great modern institution — the visiting nurse. The public health is a primary objective of present day government. Hence, these contributions are of major import to the State.

## Education

CENTRALIZING of education through consolidated schools and the broader use of municipal schools have been made possible by the improvement of highways and highway transportation. This centralizing of education makes possible the employment of highly qualified professional teachers. The underpaid and poorly equipped teacher of "the little red schoolhouse" is almost a relic of the past.

Aside from its contribution of some $40,000,000 a year to education through special taxes, highway transportation makes the use of schools possible to everyone. Without improved roads, centralized schools would be of little value to rural children.

Prior to the advent of the automobile, fire protection equipment was available only to the residents of the established community. Today, rapidly moving equipment responds to rural as well as urban calls.

Police efficiency has been increased many fold by the use of automobiles by crime fighters. Patrol cars, radio equipped, on rural as well as urban highways, have

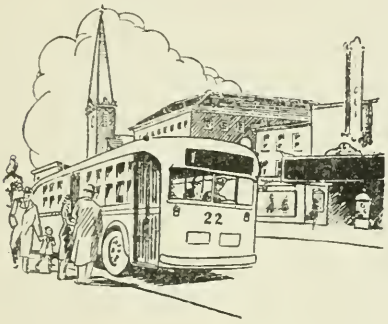
added speed and mobility to the other factors of police work.

## Commerce

INDEPENDENT means of rapid transit provided by the motor vehicle and the modern highway have done more than any other agency to advance and improve this country's commerce during the past two decades.

The shipper has been given transportation facilities better suited to his needs. Elastic and easy movement of goods by road has made possible the carrying of smaller stocks, and, hence, greater varieties.

Good roads provide cheap transportation. These savings are reflected in the ultimate cost to the consumer. So far as the shipping and consuming public is concerned, all regulation fails that does not preserve to the shipper the right to transport his own goods in his own vehicle. It is his only means of self-protection against service that may be inadequate or too costly.



## Agriculture

THE United States Department of Agriculture has estimated that 85 per cent of the farm families own and depend upon motor vehicles. This means that there are more than 5,000,000 farm-owned vehicles, including slightly more than 1,000,000 farm trucks.

Modern highway transportation has brought the farmer nearer to his markets and has greatly increased his trading radius. It has conserved his time by speeding up his work and eliminating the time-consuming elements of his "trip to town."

Most farmers raise live stock for market, but comparatively few of them have sheep, hogs or cattle in sufficient numbers to ship them in carload lots. A truck is always available for immediate shipments when any quantity of stock has reached the "finished" stage or when the market reports, by radio, indicate a propitious time to sell. Long delays at the loading pens and railroad terminals are entirely avoided. Suffice to say that $900,000,000 worth of live stock was transported last year from the farms to market over the highways.

Development of the refrigerated truck has made possible the rapid and flexible transportation of perishable farm products over great distances.

## Employment

HIGHWAYS create opportunity. More than 6,000,000 people are employed in highway transportation and related industries. This figure does not include the drivers of a million farm trucks.

Highway construction; the manufacturing of automobiles, tires and accessories; the production, refining and marketing of petroleum products; the operation and driving of purely commercial vehicles —all make their growing contributions to this vast pool of steady remunerative employment. Only one other industry, agriculture, provides a larger field.

A NEW way of life has come into being. Acquaintanceships and friendships are no longer confined to the individual's immediate neighborhood. Distant horizons and the pleasures of travel are now within the reach of almost everyone. America is made accessible to Americans. Summer resorts and winter playgrounds have sprung up in nearly every beauty spot of the country. These pleasures and recreations, made possible through good roads and the motor vehicle, stimulate trade to the extent of billions of dollars annually.

One of the responsibilities assumed by the federal and state governments has been the dedication and improvement of public parks and national monuments. The privilege of enjoying these prior to the advent of the surfaced highway was reserved for those of sufficient wealth and those residing in the immediate community. The new highway transportation makes our national scenic beauties available to the masses.

## Community Use

EVEN in ancient civilization, people congregated in communities for safety and social advantages. The crude hut of the plebeian, like the marble mansion of the patrician, was built adjacent to a street or roadway.

With the development of public utilities, the importance of these streets was emphasized. They not only formed a means of ingress and egress to the residence or place of business, but they provided a space for the extension of water and gas mains, light and telephone lines and sewage disposal.

The cost of these roadways and streets has always been borne by the communities themselves, usually out of assessments against the property served. Automobiles have increased the use, and subsequently the value, of these thoroughfares; but the annual per capita cost of them has not increased proportionately with the costs of many other public utilities and enterprises.

Improved highways and motor vehicles have been of inestimable value to all communities; but this is particularly true in the case of those cities, towns and hamlets that depend entirely upon highway transportation for their contact, communication and intercourse with the outside world. There are 48,500 such communities that have no railroad service and are entirely dependent upon motor transport. Without highway transportation they could not exist.

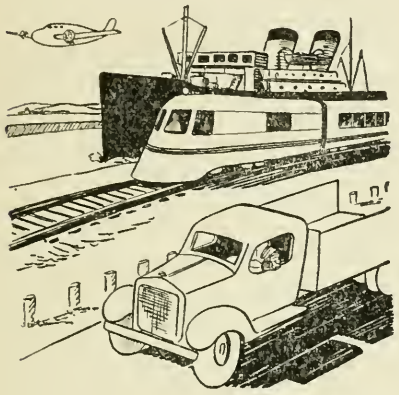
## Increased Land Values

ONE economic item that must not be overlooked is the increase in land values, both urban and rural, and the resulting increase in the taxing base, brought about by improved highways. Uncounted sections of farm lands have been transformed into attractive residential villages. The broad lawns, clean air and bright sunshine of these suburban homes have attracted more and more city dwellers who now commute to and from their daily work by motor vehicle.

Decentralization of industry may be an evolutionary change that brings about certain local and temporary disadvantages. On the other hand, such changes are of real service and lasting importance to the country as a whole. Great congestions of population and industry are conducive to degrading social conditions, a lowering standard of health, higher transportation costs and reduced efficiency in distribution.

# HIGHWAYS BASIC TO ALL TRANSPORTATION

HIGHWAY transportation until a hundred years ago constituted man's only means of land transport. Strange as it may seem, no marked advancement in this form was made until the advent of the motor vehicle. From the days of the oxen to the creation of the automobile, man was content to rely on muscular power for highway movement. True, there were many refinements, but the coach of the 18th Century showed little improvement



over the oxcart of the Babylonian or the chariot of Caesar's legionnaire.

The construction of highways has always been a major activity of strong nations. In this country the carriage of passengers and freight by highway, for distances long and short, was developed in Colonial times.

With the advent of the railroads a century ago, the highway builders almost literally threw down their tools. People looked upon the new arrival as a solution of their land transportation problems. Railroads paralleled many highways, as well as rivers and canals, over which long-distance public movement of persons and property had become the custom of years. As a result, road building and road use were confined to local areas.

Then came the automobile — the answer to man's age-old longing for a rapid and economical method of transporting himself and his goods. Once again, and within the last three decades, the highway has become the most popular and widely used form of transportation.

Highways are again the fundamental arteries of transportation which serve every community. Every other means of transportation is absolutely dependent upon road transport for the beginning and completion of the journey.

## All Transportation Facilities Needed

TRANSPORTATION needs of this great nation are so varied that today no one form nor facility can satisfactorily serve all. Each in its respective sphere has certain conveniences and economic advantages which commerce and civilization are entitled to preserve. Water transportation handles huge cargoes slowly but with great economy. Railroad lines move large shipments long distances. Air transport, where usable, is the greatest time-saver of all. The movement of goods and persons by highway offers convenience, flexibility, speed and economy. It is the basic, "personalized" service.

Of these various forms of transport, important and useful as each may be, only one is absolutely indispensable to the people as a mass, to the individual, to the community, and to the nation; and as a necessary supplement to all the other forms—that one is highway transport.

## Highways Give a "Completed" Service

HIGHWAY transportation is complete in itself. The motor truck moves directly from point of origin to destination. That is not true of any of the other facilities. Railroads are dependent upon the highways to feed them traffic. So, also, are the airways and the waterways.

Thus highways serve a dual purpose. They provide a completed service, and they also are the handmaiden of the other facilities.

Until a few decades ago highway transportation was handicapped by the inefficiency of the motive power used — the muscular power of beasts of burden.

The railroad system was builded on the deficiencies of existing modes of commerce. The very geographical limitations, as well as the slowness of movement, circumscribed the potential services of the waterways.

## Railroad Abandonments

THE new highway transportation is not only providing an efficient "feeder" service to the railroads, but it is enabling them to abandon many miles of unprofitable lines. Records of the Interstate Commerce Commission show that in the past 20 years approval was given for the discontinuance of service on approximately 23,000 miles of rail lines.

In a report of a round-table conference on railroad transportation the August, 1939, issue of "Fortune" magazine says, "Some railroad students believe that, for the traffic available in the future, the railroad trackage of the country probably could be reduced by a quarter. This would generally increase traffic density, thus reducing unit costs."

Extended investigations by the National Highway Users Conference of the effect of abandonments disclose that the departure of the railroad has not seriously injured the communities either economically or socially. On the contrary, time after time towns were observed to have increased in population and to have enjoyed better business, larger bank deposits and superior transportation.

## Monopoly of Transportation

FOR three-quarters of a century, the railroads as a group had a virtual monopoly on transportation. The discontinuance of highway construction and the decadence of canals left the field free from competition. Exploitation, rate wars and rebates seemed to be an accepted part of the program.

These latter conditions, which brought regulation to the railroads, left their indelible mark on the financial structure of many railroad corporations.

In the early days, public encouragement of railroads made the development of that facility possible. They received tangible encouragement in the way of federal, state and local subsidies. Land grants totaling nearly one-tenth of the continental area of the United States; exemptions from taxation; and money contributions from localities to be served, were all extended in an effort to expedite railroad development.

## Railroads Favored Good Roads

RAILROADS looked with favor upon highway development in the first decade of the present century before the motor vehicle had revolutionized and "personalized" transportation. Many of the principal railroads sent out "good roads trains" along their lines to promote road improvement. Their main objective, as an official of the Southern Railway frankly said, was to attract more traffic to the rails. Because of poor road conditions, and consequent high hauling costs, crop movement to the rails was limited to a few miles on either side of the tracks.

An official of the railroad said that "in February, 1898, the receipts of the Mobile & Ohio Railroad fell off 65 per cent from those of the February preceding, and 80 per cent from those of the February before that, all because of the severity of the weather, which froze up the roads so that the farmers could not get their produce to or from the stations."

Rail officials urged the communities to

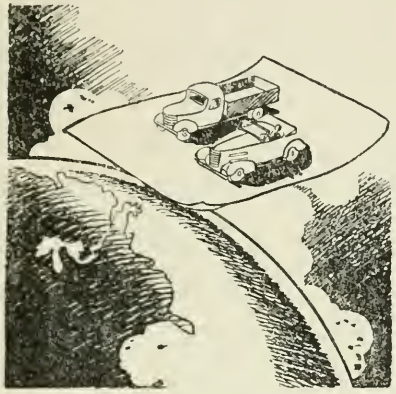

improve roads (at their own expense) because such improvements would increase farm values, reduce hauling costs, and

many social and economic benefits would accrue to the community.

## Effect on Education

TYPICAL statements of railroad good roads boosters of that period include:

"Country roads enable the people to get to the railroad station, and the sub-



urban trains bring the children from the country to the city to attend school. If the country roads are bad, the children cannot get to the railroad and are thus denied the privilege of an education."

"The next great reduction in the cost of transportation and the next development in transportation facilities must be in the way of improved common highways."

"While the railroads do build up the adjacent territory, they also congest traffic in the great centers of population and trade, and necessarily they must build up those centers at the expense of the small towns and the rural sections. Improved highways will remedy this evil in our national development. As the railroads have congested population, good public roads will diffuse it."

Now that the effective range of highway transportation is no longer confined to a few miles on either side of the railroad tracks, now that highway transportation can give an efficient, completed service in itself, the railroads have changed their tune. They regard as competitors the family car, the farmer's truck, as well as "for hire" motor vehicles. But the railroads themselves in 1938 operated 63,781 trucks in their various services. They used only 46,544 locomotives.

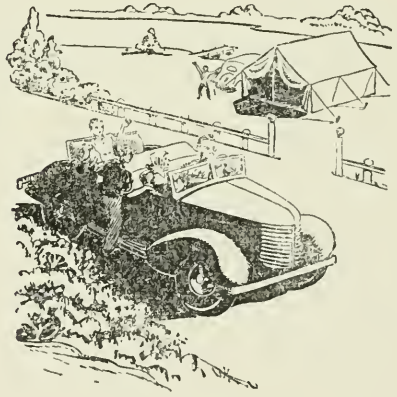
OLD English law established the principle that "every man's home is his castle." The motor vehicle has transformed the countryside into a dukedom for the average man. It has placed him upon a transportation magic carpet that moves here or there as he desires.

This magic carpet has greatly expanded the freedom of movement of the average American.

The eagerness with which American people have adopted this new type of personalized transport is indisputable evidence of the American will to take full advantage of the fruits of progress. The change in public conception of transportation has been so rapid, and the acceptance of pneumatic tires on pavement so complete, that only those blind to the facts continue to view this transition as merely a competitive development.

## The Family Car

BUSINESS vehicles—trucks and buses—do compete with the railroads. Any new tool competes with the old. But by and large the real competitor of the rail-



roads is that personification of automotive progress, the "family car." It is now almost as much a part of the family life as the family home.

On the other hand, the common use of the family car, plus economical travel by motor bus, stimulates interest in travel. While the number of these vehicles has increased steadily for the five-year period (1933-1937), as has the number of passenger miles transported by bus, the num-

ber of passenger miles transported by rail during the same period increased steadily from sixteen billion in 1934 to over twenty-four billion in 1937.

Railroad resistance to change and progress is evident, particularly in the contin-

ued insistence of some railroad officials that highway transportation represents "competition" which must be "equalized." While the bulk of the opposition has been directed, ostentatiously, against the "big commercial truck," there is indisputable evidence that the underlying resentment is directed at the privately-owned and operated vehicle.

## Campaign Against Private Vehicles

AN official document widely distributed by the American railroads reflects the railroad attitude in the following language: "Privately-owned and operated passenger vehicles have made substantial inroads into the traffic of commercial carriers. The same is true of privately-owned trucks, owned mostly by shippers who perform some part of their own transportation service, formerly handled by commercial carriers."

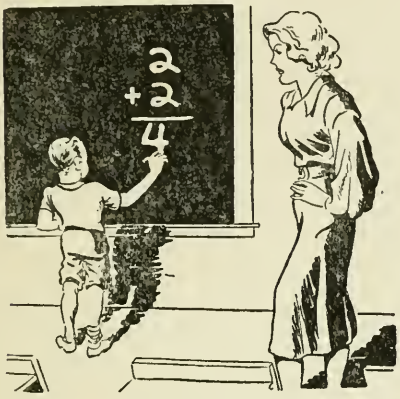
To indicate the extent of the campaign against the "family car," attention is called to figures (1932), in a recent publication issued by the Association of American Railroads. It is charged that the private car is subsidized to the extent of $318,354,106 annually, and that the taxes on every family car should be increased 56 per cent.

The railroad publication recommends that the taxes on farm and other private trucks be increased $268,141,000 annually. It would increase the annual tax burden on "for hire" trucks $62,575,000, an amount equal to only about 10 per cent of the nearly $600,000,000 proposed to be added to the special taxes on private motor vehicles.

# PROPER HIGHWAY COSTS

ADDING up the monies spent on roads gives the accurate picture of the true costs of highways.

That is the traditional method of determining the cost of any essential function of government. The cost of the postal system, for example, is arrived at by merely adding up the expenditures. The buildings and land used by post offices are not capitalized. Neither is a fictitious




"return on investment" nor "estimated" taxes on the value of the property added to the cost sheet.

The public would not tolerate a government that operated public schools, fire departments, police and sanitary services for profit. Taxes are not paid to yield profit on operation of court houses, jails and hospitals.

Highways are equally a public convenience, and the people, through their government, are not "in business" for profit when they build them.

Despite these simple facts about the basic functions of government, there are those who assert that the time-honored method of adding together the "out-of-pocket" expenditures is not the correct method for determining road costs. They would have the nation believe that highways are in the nature of a private enterprise organized, not to serve the public good, but for "profit."

## A Frankenstein Theory

SUCH a theory, if accepted, would make the government a Frankenstein to prey upon the pocketbooks of its citizens.

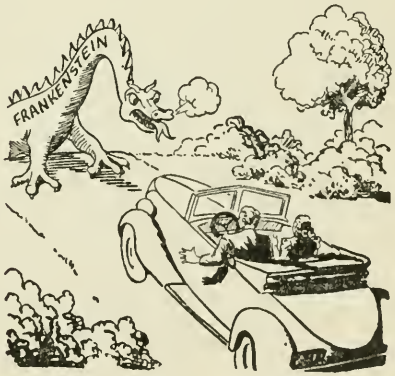
Many millions of dollars are being spent to dress up that theory to plausibility and respectability.

The monopolistic transportation interests, to speak in the vernacular, would charge against the motorists "everything but the kitchen sink." The more hypothetical liabilities that can be chalked up against the highway user, the greater will be his tax burden, the less will be his freedom of the highways.

## What Is the Limit?

NATURALLY, there must be a limit to what the highway users should be expected to pay. Fair study of highway costs first establishes the actual annual costs of the highways for which those taxes are imposed.

Next, the proper apportionment of those costs to the motor vehicle owners on the one hand, and to other beneficiaries of the highways on the other is determined—keeping in mind that highways would be essential to localities and property own-



ers even if not a single motor vehicle moved upon them.

Such a study was embarked upon recently by a committee composed of four prominent educators; two of them engineers of note, and the other two well known economists.[1] The results of their study are known as the Dillman Report, as Dr. Dillman's name is the first of the four signatures.

## Highways Not a "Public Utility"

THE study presents some illuminating conclusions:

"Highways were not built as a profit-making enterprise. The state does not attempt to make money out of the highway system. Highways are not designed to provide the state with revenue as investments. The highways are an example, as we have stated, of action by the people, through the instrumentality of the state and its subdivisions, to provide themselves with transportation facilities at a minimum cost. This is true notwithstanding the fact that the highway system is supported in large part from special taxes levied upon highway users.

"A second difference between the usual public utility and the highway system is that the capital invested in a privately-owned utility is furnished by investors, while the capital invested in the highway system is provided by the people themselves, through a system of taxation." The highways "really become the people's highways, with the people's money invested in them."

The Dillman study sets forth the cost elements that should be included, representing actual out-of-pocket expenditures, as follows:

(a) Interest on outstanding highway indebtedness;

(b) An annual charge sufficient to amortize the outstanding indebtedness over the service life of the highways for which the outstanding indebtedness is incurred;

(c) Administrative expense properly chargeable to the management and maintenance of the highways;

(d) An annual charge for maintenance and operating including repairs, renewals and replacements; and

(e) That portion of the state police cost properly chargeable to the patroling of the highways.

Hypothetical elements which cannot be included follow:

(a) Interest charges other than on actual highway indebtedness;

(b) Assumed taxes on right-of-way and highways as property; and

(c) Depreciation and obsolescence.

"Insofar as the highways are financed from the proceeds of road taxes levied on general property, or taxes on motor-vehicle owners, the capital invested in the highways is contributed by the beneficiaries of the highways," the study says. "To include interest on that part of the investment in the highways made by the general taxpayer and the motor vehicle owner as part of the annual highway cost to be carried by special motor-vehicle taxes is to make the beneficiaries pay interest on the capital which they have furnished.

"Interest is a payment for the use of capital. If anyone is to receive a return on this capital, it is he who furnished it."

## Built-for-Profit Concept

EVERY allegation that highway transportation is subsidized is based on the so-called "public utility" or "*built-for-profit*" concept.

To make such allegations one must contend that highways earn a return on the investment—say 4 per cent—and also yield the equivalent of a tax on themselves as private property. Some go so far as to insist that an additional "use" charge of 4 per cent on the value of the right-of-way be included too.

One must add these fictitious interest charges and non-existent taxes to fabricate an annual highway cost figure that

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[1]Grover C. Dillman, President, the Michigan College of Mining and Technology, former Chief Engineer and Commissioner, Michigan State Highway Department.

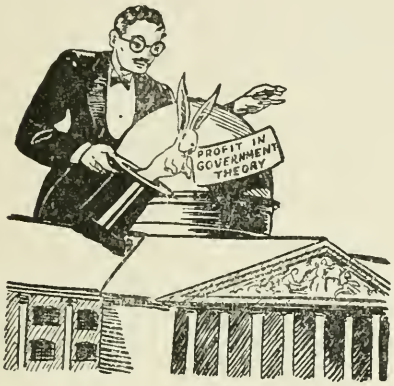
D. Philip Locklin, Associate Professor of Economics, University of Illinois, formerly Principal Transportation Economist, Interstate Commerce Commission.

G. Lloyd Wilson, Professor of Transportation and Public Utilities, University of Pennsylvania, formerly Consultant to Federal Coordinator of Transportation.

John S. Worley, Professor of Transportation Engineering, of University of Michigan, formerly member of Engineering Board, Bureau of Valuation, Interstate Commerce Commission.

nearly doubles the actual expenditures made each year.

In a case where the actual expenditures for construction and maintenance of streets and roads in a given state total $20,000,000 annually, for example, and the total revenue to the government from gasoline taxes and motor vehicle registration fees approximates that figure the motor vehicle owners are paying for the highways. But if the government should




increase those fees and special taxes by another $20,000,000 in order to meet the non-existent interest and tax items on highway property itself, then the state would be making an overcharge of the latter amount—a charge paid by the taxpayers on property that has been built and maintained out of the taxes already collected.

## "Dividends" on Taxes?

STOCKHOLDERS of a privately-owned public utility have a property right in the plant. Those who, through their tax contributions, build and maintain the highways have no individual property rights therein. Therefore, they are forced to pay "dividends" on their tax money that has been employed to build and maintain the public road.

In a paper on this subject, submitted to the American Society of Civil Engineers, Professor C. C. Wiley of the University of Illinois said in part:

> "Highway expenditures are in no sense capital investments. They are the direct cash outlay by the people for the purchase of a service perhaps as fundamental to present civilization as government itself. * * * Neither the governmental units that build the roads nor the taxpayers who pay for them can be considered as investors in the usual commercial sense. Government is essentially a 'corporation not for profit'; and hence it is not an investing body. To accept the author's statement that 'had that sum remained in the hands of the individuals who comprise the public, each might have invested his share in a dividend or interest paying security,' is to establish the principle that capital interest can be charged on tax payments. This is in direct violation of all business practices whereby taxes are invariably written off as items of expense. The entire theory of computing highway costs as capital investments fails on this one point alone."

The "built-for-profit" theory is advanced merely as a device to stifle highway competition through punitive taxation.

Professor T. W. Van Metre, of Columbia University, condemns in the following words any efforts to make the government a party to any such schemes:

> "If the government is to adopt the policy of penalizing the efficient producer for the purpose of preserving an inefficient and obsolete enterprise, it should do so without resort to specious argument. If it is the purpose of the government so to burden motor vehicle transportation with taxes that its competitive advantages will be dissipated, there is no necessity for going to all the trouble of computing the amount of taxes which motor vehicle owners would pay if they owned the highways."

●

# THE MOTORIST PAYS HIS WAY

BUILDING of roads is one of the most ancient basic functions of government. Throughout history it has been one of the first cooperative activities of a community.

In the United States the citizens in most communities joined in building roads long before other services were undertaken.

Roads, until the advent of the motor vehicle, were regarded as a direct responsibility of the community. In the Colonial days, laws were passed requiring all able-bodied men to work a certain number of days each year upon the highways. Property holders were assessed both in money and in labor.

## Labor Assessments Eliminated

LABOR assessments for roads generally have been eliminated. By the time the motor vehicle appeared upon the highways, road revenues were derived from general property taxation, special road taxes against property and road poll taxes.

With the advent of the motor vehicle most of the burden of financing the improvement of main roads, plus a substantial part of the cost of secondary roads and city streets, has been shifted to the motorists.

The development and perfection of the motor vehicle created a public demand for an improvement in the road system to accommodate this new mode of travel, and at the insistence of motor vehicle owners themselves, new forms of special taxes in the form of registration fees and gasoline taxes were devised to provide the necessary revenue.

In 1937, the motor vehicle owners of the country contributed $1,573,561,000 in taxes. Of this amount, $1,177,827,000 was in the form of special taxes levied on highway users by the state for road purposes. These imposts include motor fuel taxes, registration fees and motor carrier special taxes. The remainder was made up of $321,449,000 in federal excise taxes and $74,285,000 in personal property taxes, county and municipal taxes and general taxes on motor bus and motor truck operators.

The huge total of $1,573,561,000 does not include state automotive sales taxes, or taxes paid on garages, filling stations,


bus and truck terminal facilities and other closely related and dependent properties.

## Diversion

LARGE sums have been misappropriated and diverted from these revenues to other than highway purposes. The records of the Public Roads Administration (Table DF, 1937) show that for that year the sum of $161,413,000 was diverted from state imposts on highway users. Other diversions not included bring the total approximately to $198,000,000.

The Commissioner of Public Roads, in testifying before the House Roads Committee, stated that the monies diverted, being more than 10 per cent of the total road revenue, if properly applied would have cleared all outstanding road debt obligations.

Opposition to the policy of diversion has been bluntly expressed in a number of states. In some of these, the public has had an opportunity to voice its disapproval through popular vote on constitutional amendments and referred laws. The results of these votes indisputably point

to the conclusion that the public is opposed to the practice when given an opportunity to express its opinion on a clear-cut issue.

Seven states have adopted constitutional provisions dedicating these special motor vehicle taxes to highway construction, maintenance and administration. These anti-diversion amendments are now an integral part of the fundamental laws of Kansas, California, Colorado, Michigan, Minnesota, Missouri and New Hampshire. By approving a special highway bond issue in 1938, the voters of Montana effectively raised a legal barrier against diversion for the next ten years. Idaho, Iowa, Nevada, South Dakota and Wisconsin have taken legislative action to place anti-diversion amendments before the electorates of those states.

## Motor Taxes Basically Fair

ASSESSMENT of special taxes against the motorist is, in principle, fair; but arbitrarily to take $200,000,000 of that money each year for other governmental purposes is decidedly unfair.

The measure of the farmer's gasoline tax is the distance he lives from his market. That of the salesman, business man or laborer is the distance he must travel by automobile in his daily occupation. If that tax is to be used exclusively for the construction and maintenance of the highway over which he travels, it is not inequitable; but if it is diverted to other governmental purposes, it immediately becomes a case of special assessment against a special class.

Among the taxes assessed against the motorist in 1937 were the following items that were direct contributions to the government:

| | |
|---|---|
| Federal excise taxes on automobiles, motorcycles, tires, trucks and accessories, and the motorist's share of the Federal tax on gasoline and lubricating oil | $321,449,000 |
| Personal property taxes (all jurisdictions) | 41,485,000 |
| State automotive sales taxes | 61,850,000 |
| Total | $424,784,000 |

This is approximately a 7 per cent assessment on the $6,000,000,000 estimated total value of all motor vehicles in 1937. The total tax bill for all Class I railroads for that year amounted to an assessment of 1.43 per cent on the valuation.

In addition to the above figures, the owners of automobiles directly and indirectly contribute to the general government, through taxation, in the following amounts (informal estimates based upon field studies and other available information):

| | |
|---|---|
| Taxes on public and private garages | $100,000,000 |
| Taxes on parking lots | 1,500,000 |
| Auto dealers' taxes | 23,000,000 |
| Taxes on auto accessory dealers | 3,500,000 |
| Taxes on filling stations | 30,000,000 |
| Taxes on other automotive establishments | 2,000,000 |
| Total | $160,000,000 |

By grouping all of these special taxes and fees, general taxes and indirect taxes, the total shows that motor vehicle owners, in the operation of their vehicles, contributed $1,795,411,000 to the government and to the highways in 1937, considerably over one-sixth of the nation's entire tax bill of $10,200,000,000 for that year.

"Cost of construction and operation of the highways is met by taxation of the motor-vehicle owners and other highway beneficiaries, or by funds obtained from the sale of highway bonds or bonds of special highway benefit districts. The interest and amortization of these bonds is met through special taxes levied upon highway users and other beneficiaries. In many cases, motor-vehicle owners are included also in the group of other beneficiaries and as such contribute taxes in support of the highways." (The Dillman study.)

By and large, the highways of the country are on a pay-as-you-go basis. Despite some statements to the contrary, the bonded indebtedness of all states has been steadily declining since 1933 and of all local governments since 1929.

## Fifteen States Have No Road Debts

IN 1937 the total outstanding state highway obligations were $1,980,052,000. Of this total, $488,246,000 was made up of county reimbursement obligations—thus showing a marked trend in the assumption of local bonds by the states. Fifteen states have no direct state road obligations whatsoever; six have only state assumed county bonds; Washington has a special relief

construction issue, and Kentucky has toll bridge bonds but no highway bonds outstanding. Sixteen other states have greatly reduced their highway obligations in recent years.

The actual annual costs of all state highways, including urban extensions and arterial streets, have been found to be $920,021,000 in 1936, the last year for which all figures are available.[1]

The county and local road costs for the same year are found by Professor Stocker to have been $550,000,000.

"The data at present available on expenditures for city streets are inadequate," Professor Stocker says, but by adopting the basic figures in a publication recently sponsored by the Association of American Railroads, he finds that the total expenditures for the year were $416,694,000.

The three figures cited above disclose the actual out-of-pocket expenditures for highways and streets.

That there is a division of responsibility between and among the beneficiaries of highways is conceded by all. It is interesting to compare the various formulae arrived at by different groups. The following table is taken from the Dillman study:

## Percentage of Annual Highway Cost to Be Charged to Motor Vehicles as Proposed in Various Studies

| *Classification of Highways* | *Eastman* % | *Ennis* % | *Duncan* % | *Oregon Highway Comm.* % | *"Highway Costs" A.A.R.* % |
|---|---|---|---|---|---|
| Main Trunk Highways | 85 | 85 | 82 | 85.6 | 90.4 |
| Intermediate Highways | 33 | 85 | 82 | 10.9 | 90.4 |
| Land-Service Roads | 33 | 85 | 82 | 10.9 | 90.4 |
| City Streets | 25 | 51 | 25 | 18.5 | 47.3 |

The Eastman formula, produced by the Federal Coordinator of Transportation, occupies the middle ground. Applying the Eastman formula to the 1936 highway cost figures, the motorists' share of each group of expenditures was:

| | | |
|---|---|---|
| Main Trunk Highways (including arterial streets and urban extensions) | 85% of total equals | $782,018,000 |
| County and Local Roads | 33% of total equals | 181,500,000 |
| City Streets (other than above) | 25% of total equals | 104,173,000 |
| Motorists' share of actual total highway and street expenditures | | $1,067,691,000 |

Special motor vehicle taxes paid by highway users in 1936 were:

| | |
|---|---|
| State Motor Fuel Taxes | $691,420,000 |
| State Registration Fees | 359,783,000 |
| State Special Carrier Fees | 15,137,000 |
| County Fees and Taxes, usable on county and local roads | 1,700,000 |
| Municipal Fees and Taxes, usable on city streets | 16,700,000 |
| Total Special Taxes for Highway Purposes | $1,084,740,000 |
| Motorists' Share of Highway and Street Costs | 1,067,691,000 |
| Excess Payment by Highway Users | $17,049,000 |

THE above highway tax figures specifically exclude those taxes paid by the motorist that were assessed for the general support of the government. It does not include $292,408,000 paid to the Federal Government in excise taxes on gasoline, motor oil, tires and tubes, trucks, automobiles and other motor vehicles. Nor do they include upwards of $300,000,000 paid in direct personal property taxes on motor vehicles, in direct state automotive sales taxes, and in taxes on public and private garages, parking lots, filling stations, automotive establishments or automobile or accessory dealers.

Truly, the motorist does pay his way.

[1]U. S. Bureau of Public Roads Table SF-2, 1936. Also "Is Motor Transportation Subsidized?" by H. E. Stocker, Professor of Transportation, New York University, 1939.

# PLANNING THE HIGHWAYS OF TOMORROW

"THE people of this country must have roads suitable for the movement of modern traffic with safety, economy and facility. They must be free and not toll roads.

"These roads must in every instance be predicated on traffic needs, and long term rational planning surveys should point definitely to where needs exist. They must embody every practical safety aid. The growing need for adequate intermediate rural roads as well as arterial routes through cities must not be overlooked. Every state should have a long-range program of development, but such a program in all of its phases must be consistent with and measured by the taxpayer's ability to pay. . . ."

The above is quoted from a statement of policy on highway planning adopted by the National Highway Users Conference in 1938.

The need for this clarification of objectives in fostering the best development of the new highway transportation is made evident by a brief review of the remarkable growth of "personalized" transportation in the United States.

Until a few decades ago roads were constructed, maintained and financed by local communities. Most of the highways did not meet adequately the needs of horse-drawn traffic in an era of expanding agriculture and industry. Years before the motor vehicle became a factor in transportation, nation-wide interest in better planned and better maintained roads developed.

## States Become Interested in Roads

IT was in this period that the states began to interest themselves in roads and to form highway departments. New Jersey led the way, organizing its highway department in 1891. A few years later New York organized a road department and laid out a state highway system, adopting the policy of sharing equally with local communities the cost of improving roads on the state system. Maintenance costs, however, were to be borne exclusively by the local communities.

This interest in better roads was accelerated by the appearance of the motor vehicle in increasing numbers on the highways.

## The Transportation Revolution

IN the decade following the enactment of the Federal highway aid act in 1916, motor vehicles registered in the United States numbered 19,937,000. This revolution in transportation—unparalleled in all history—brought many problems of highway design, construction and maintenance, and planning.

Prior to the automobile, little attention had been paid in this country to highway design. Most of the roads were of dirt, or sand, or gravel. The chief principle followed in road work was that of crowning the highway to keep out water and mois-


ture as much as possible. On a few roads crushed stone had been used to build the so-called macadam roads, but such practice was limited.

Thus road building in the United States had to start almost from scratch to meet a revolution in highway transportation methods, to provide for the immediate

needs of motor vehicles whose numbers were increasing annually at the rate of one million or more. That the highway engineers and the road builders of America have done a good job is attested by the remarkable system of excellent highways that has been flung over the United States during the past two decades. Smooth, durable, dustless roads are to be found in every section of the country.

## Need for Highway Planning

AS the highway systems of the states have taken shape, road officials and engineers have devoted increasing attention to the broader phases of the problem of road improvement—namely, highway planning. They have been attempting to visualize not only the needs of the nation today, but the requirements of the future. With that in view, Congress passed a law permitting the use of a part of Federal highway aid funds in the collection of data to be used for long-range highway planning. Forty-six states are cooperating with the Public Roads Administration in the gathering of such data.

These road surveys embrace three general groups of factual data. First, a complete road inventory is being made in each state. These inventories not only show the mileage, type, grades, curvatures and other data about the highways themselves — primary, multiple lane, intermediate and farm-to-market roads—but they also include the pertinent data of the homes, factories, schools, churches, railroads and other centers of human activity that are served by the roads.

The second phase of the work is that of traffic surveys. These show the character and extent of traffic on the various roads. Preliminary reports of these surveys indicate that two-lane highways will be adequate to serve the traffic needs of about 98 per cent of the nation's highways.

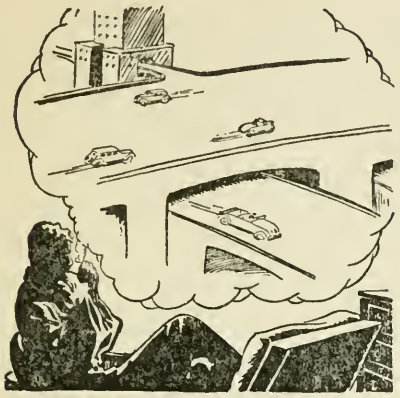
The third main feature of the surveys embraces the study of highway financing and road uses; the cost, expenditures and revenues of highways of a state; the various types of special motor taxes; diversion and dispersions; the yield of such taxes; who pays them; together with other factors of capital costs, road life, and maintenance costs.

## Surveys Give Data for Planning

THESE surveys will provide, for the first time, the factual data needed for the planning of broad programs of long-range highway development. They will enable road improvement to be predicated upon traffic needs by indicating where definite needs exist.

Already the Public Roads Administration has drawn certain major conclusions from these data which are presented in its report to Congress entitled "Toll Roads and Free Roads," including a program for future free highway development.

# SUPERHIGHWAYS AND TOLL ROADS



DURING the past few years many proposals have been put forth for the construction of transcontinental "superhighways" by the Federal government.

Proponents emphasize that highway construction provides jobs and stimulates trade. According to the Public Roads Administration, every million dollars spent in road work provides jobs to approximately 1,000 persons for a year. Each dollar spent in road work, it estimates, generates $3.15 in trade.

"Superhighways" such as are proposed would be extremely costly. They could not be constructed on a grand scale from current special automotive tax revenue without neglecting other important roads in the state highway systems. Accordingly, it is proposed by their sponsors that the "superhighways" be made "self-liquidating" by being converted into toll roads. The sponsors of "superhighways" would require motorists to contribute many additional millions of dollars at tollgates each year for the use of these main highways.

## The Real Facts

DRAWING upon the wealth of information developed by the highway planning surveys being made in 46 states, the Public Roads Administration reported to Congress that the economic and social benefits that would accrue from any wide-scale development of "super-toll" roads were largely illusionary.

The government agency found that—

Transcontinental superhighways cannot be supported by tolls.

Daily transcontinental travel averages only about 300 vehicles.

Less than 4 per cent of all trips outside of cities are longer than 50 miles.

Only a small portion of present traffic could be attracted to a toll system; the bulk would continue to use the main, free highways.

The 172 miles between Philadelphia and New Haven are cited as being, by estimate, most surely self-supporting out of tolls, if expected traffic develops. (Most of the states along this Philadelphia-New Haven route are flagrant diverters of road funds, and if such diversions of automative tax revenue were ended, the people could be provided better road facilities with no increase in taxes.)

## The Ability to Pay

THE report further points out that any schemes for toll roads must take into consideration the ability of motorists to pay tolls in addition to the already heavy special taxes which they now bear.

"A survey recently made by the Bureau of Foreign and Domestic Commerce, United States Department of Commerce, shows that the majority of family passenger cars are owned by families of very moderate income," the report says. "As indicated . . . more than half of all family cars are owned by families that have an annual income of $1500 ($30 a week) or less. Less than five per cent of all family cars are owned by families that have an annual income of more than $5000 ($100 a week). Less than a third are owned by families that have annual incomes in excess of $2000 ($40 a week).

"In estimating the probable volume of toll-paying traffic on the selected superhighways, it is necessary to give consideration to these facts. Persons of low income who own and operate passenger automobiles are influenced in the uses they make of their cars to a greater extent by the

immediate operating expense, such as gasoline and oil, than by the actual total costs, including tires, depreciation, and so forth. The cost of the gasoline consumed on a trip may amount to little more than a cent a mile. To the motor car owner with an income of less than $1500 a year ($30 a week), a toll of one cent per mile is likely to appear as a hundred per cent increase in his cost of operation; and so viewed it is an additional cost that he is not likely to pay."

Opposition of the public to a return to tollgates was reflected in the recent session of Congress when all proposals to develop toll highways were overwhelmingly defeated. There were definite indications that the present temper of Congress will not permit the use of Federal funds for a large-scale program of toll superhighways.

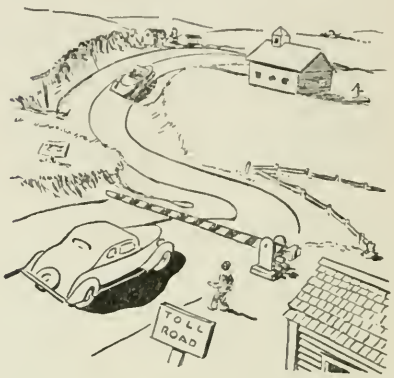
## Motorists Now Paying Full Share

TOLL roads, whether sponsored by the Federal government, the states or local communities, are definitely repugnant to American concepts of freedom of the highways.

Motorists already are contributing handsomely towards the costs of a constantly improving highway system. They now are paying their full share for the roads of today and a part of the cost of the roads of tomorrow.

Highway planning should aim not to increase the burden of highway users needlessly and subject them to multiple special taxes and tolls, but rather it should aim to provide adequate roads at reasonable cost. Road costs should be coordinated with the ability to pay. As the Public Roads Administration points out, toll roads violate that principle.

The threat of reversion to tollgates has become real in the environs of New York City. The State of Connecticut imposed a ten cent toll on the Merritt Parkway, placing tollgates at either end of the Parkway. Westchester County, New York, retaliated by imposing a ten cent toll on the Hutchinson River Parkway, which connects with the Merritt Parkway. Thus, a motorist traveling from New York City to Connecticut pays tolls for the use of these high-




ways in addition to his registration fees and gasoline taxes.

Highway users may well fear the possible influence of these reactionary steps that have been taken in erecting tollgates on the highways connecting New York and Connecticut. As the Automobile Editor of the New York World-Telegram has pointed out, "this idea, like the little acorn, may grow into an oak tree, and highway tolls may be placed on new roads in other states."

# HIGHWAY BARRIERS

NO single retrogressive act of present time compares with the trend of a few years ago among many states toward barricading their boundaries against the traffic and commerce of other states. Fortunately for the continued progress of the country, this "Balkanizing" influence appears to have reached its peak two years ago. As a result of strong public and official disapprobation, there is reason to hope that a back swing has actually set in.

The U. S. Department of Agriculture recently published an exhaustive study of the problem in its broadest aspects. In its treatment of Motor Vehicle Regulation, the report says in part: "Although the chief purpose of motor vehicle legislation has been to regulate and to tax, not infrequently an important result, whether intended or not, has been to place a heavy burden on interstate commerce." "The railroads have been active in promoting the types of legislation . . . shown . . . to be most restrictive."

## Ports-of-Entry

PLACING drastic restrictions on motor traffic entering a state, a port-of-entry system was first established by Kansas in 1932, and, spreading with the devouring speed of a prairie fire, similar laws—some retaliatory—were enacted in eight other western states.

In 1939, the tide seems to have turned. Oklahoma repealed its ports of entry entirely, and New Mexico materially modified many of the rigorous features of its system. This may be regarded as a direct result of the opposition of the Council of State Governments, the U. S. Department of Agriculture and many national farmer and shipper organizations.

The Council recently adopted a resolution stating: "This Fourth General Assembly of the Council recognizes that trade barriers, under any guise, are detrimental to the economic welfare of the country; that this Assembly recommends complete adherence to the traditional American policy of free trade between the forty-eight states."

Uniformity stands second only to equity in the list of attributes desirable in all regulatory legislation. Uniformity begets confidence, understanding and, consequently, respect for law. It inspires reciprocal recognition for a neighbor's problems. The lack of it breeds suspicion and reprisal.

Touching on the character of the opposition to uniform state laws establishing size and weight limits for motor vehicles, the Department of Agriculture's recent report says: "The South Carolina law of 1933 and the Texas law of 1931, both favored by railroad interests, are examples of the most drastic of size-or weight-limitation laws." ". . . by placing very low limits on size, weight, or number of units, they (state laws) create a situation in which long-haul transportation is often impossible because unprofitable." "If the size and weight laws of South Carolina, Kentucky and Tennessee had all been enforced, an effective trade barrier against long-distance trucking would have been stretched from the Atlantic Ocean to the Mississippi River."

The American Association of State Highway Officials has prepared and


adopted a uniform bill providing size and weight maximums. In a formal resolution, the Association said: "It is the opinion of the Association that the adoption of a uniform standard to govern gross weight,

dimensions, and speeds for motor vehicles operating on the highways is a fundamental necessity. . . ."

More than half of the states have enacted the principles of the Association's recommendations into laws. Every year shows an encouraging approach to wider acceptance of this Uniform Act, despite the open and pernicious opposition of railroad lobbys as typified last winter in Tennessee and later in Alabama.

## Reciprocity

DURING the years 1932-1936, the word "reciprocity" was all but erased from the law books, in so far as motor vehicle regulation was concerned. "Get the cash from everything that moves on rubber" was the watchword. Here again the program of attrition was carried beyond all reasonable limits. The last three years, however, reversed this trend, having produced a number of state laws authorizing reciprocal privileges to out-of-state motor vehicle owners, the adoption of reciprocal compacts between states, and recognition of the more liberal impositions of neighboring jurisdictions.

Reciprocal arrangements have been provided or broadened by law in eleven states this year. At the same time, vigorous campaigns were unsuccessfully waged by railroad interests in four states to repeal existing reciprocal laws.

Lack of reciprocity interferes seriously with all interstate movement of trucks and buses. Its adverse effect on transcontinental highway travel was graphically shown this summer when a group of English newspaper reporters sought to charter a bus for a de luxe trip to California. Terms were agreed upon but before signing the contract, the bus operator checked on the fees and special taxes he would have to pay in "no reciprocity" western states. The additional costs made the trip by bus prohibitive. So the business was given to a competitor who didn't have to pay these fees and special taxes.

The American Association of Motor Vehicle Administrators, an organization of state officials directly responsible for the administration of registration and traffic laws, has long urged reciprocal arrangements between neighboring states.

The Association, at its 1939 Convention, reiterated this position, instructed its officials "to undertake immediately" a program of helping the states to bring about uniformity and reciprocity, and also "to solicit the cooperation of the Council of State Governments, Federation of Tax Administrators and American Association of Public Utility Commissioners" to the end that the program "might be more rapidly advanced and concluded."

The National Conference on Interstate Trade Barriers held in Chicago last April requested the Council of State Governments, through its Commissions on Interstate Cooperation, to "continue the important work of this Conference by . . . encouraging the enactment of uniform laws, and the adoption of reciprocal agreements, which have for their aim the reduction of trade barriers between the states."

# THE PROBLEM AHEAD

THE new highway transportation is leading the American people on a new avenue to progress. It is adding to the sum of human happiness. It is lowering the cost of transportation of commodities, thereby tending to reduce living costs. It is assisting materially in raising our standards of living. It is creating opportunity. It is providing jobs for millions.

Highway transportation is still an expanding force. Its potentialities for good have not yet been fully realized. If permitted to develop freely and reasonably, it will provide even in larger measure new benefits to the American people.

Unfortunately, there are contrary forces that would curb or delay this progress. The handiwork of those forces is seen throughout the land in the numerous attempts to curtail and limit needlessly the use of the newer transportation facilities.

The situation is such that continued advancement will be possible only at the price of constant vigilance.

The average American citizen living in the unfolding of highway transportation,

has taken the development of this new force as a matter of fact. Like a fond parent who still regards as a baby his growing son, many Americans do not realize that highway transportation has emerged from its swaddling clothes. For example, 30 years ago the motor vehicle was regarded as a recreational device for persons with above-the-ordinary means. Unfortunately, that belief still persists to some extent, despite the fact that more than half of the car-owning families in the United States have incomes of $30 a week or less.

## Better Understanding Needed

IT is highly important that the American public have a better understanding and appreciation of the new highway transportation that is creating opportunity, jobs, and social and economic benefits to an ever-widening section of the American people. The American people need to know the obvious truths—

That highways are built to serve the public, not to make a "profit" for government.

That the community benefits immeasurably from the highway and must continue to share the cost; the ratio to be borne by the highway user and by the general public to be developed on an impartial and scientific basis.

That the highway user is now paying his full share of the actual out-of-pocket expenditures for highways and streets.

That, in addition to material contributions, highways are indispensably necessary to education.

That the highway and motor vehicle provide one of the nation's greatest sources of opportunity and employment.

That the public is best served through competition of transportation media, rather than through "equalization of transportation opportunity."

That each type of transportation facility should be allowed to develop freely in that field in which it is economically superior.

Development of highway transportation so that it will provide the greatest good to the greatest number requires the adoption of a rational, sound long term program of highway development, based upon a proper analysis, interpretation and application of the facts now being developed by the state highway planning surveys. Such programs, naturally, must be coordinated with the ability of the taxpayers to pay for highways.

Taxes should be reasonable, rather than punitive. Such a program would not include a transcontinental system of super-toll highways, but should make provision for multiple lane highways where the surveys indicate traffic densities are sufficient to warrant the outlay. Tollgates should be barred from the highways.

A phase of the problem needing vigorous attention is the dedication of all special motor vehicle taxes exclusively to highway purposes. These taxes are imposed on the owner because of, and in a large part measured by, his use of the highway. Revenues collected from such sources were not intended to be used for general governmental expenses. Yet, approximately $200,000,000, or nearly one-sixth of the total, is being diverted annually to non-highway purposes.

The certain way to insure that highway revenues will be devoted to highway purposes is an anti-diversion provision in the state constitution. Seven states have adopted such constitutional amendments. Five others have taken necessary legislative steps to that end. Of equal importance to the motorist is the prevention of unreasonable motor fuel taxes, burdensome motor vehicle fees and punitive carrier taxes.

STILL another phase of the problem ahead is the removal of restrictions to free flow of commerce on highways within and across state lines. The Council of State Governments and the United States Departments of Agriculture, Commerce, and Justice are actively interesting themselves in this accomplishment. There are three things to be done:

Adopt uniform motor vehicle size and weight standards, thus removing restrictive bottlenecks such as the Kentucky and Alabama low size and weight limits.

Abolish ports-of-entry and other highway barriers.

Extend reciprocity among states and prevent the repeal of reciprocal laws.

The shipping and traveling public needs protection against restrictive and unduly burdensome regulation and taxation designed to take away the natural advantages of highway transportation for the benefit of railroad competition.

Lastly, and this is vital to every motor vehicle owner, is the protection and preservation of the rights of the individual to transport himself, his family, his friends and his goods in his own conveyance. Freedom of the highways must be preserved to a free people.